

CONTAINER DEPOSIT LEGISLATION

Past

Present

Future

What is a “Bottle Bill”?

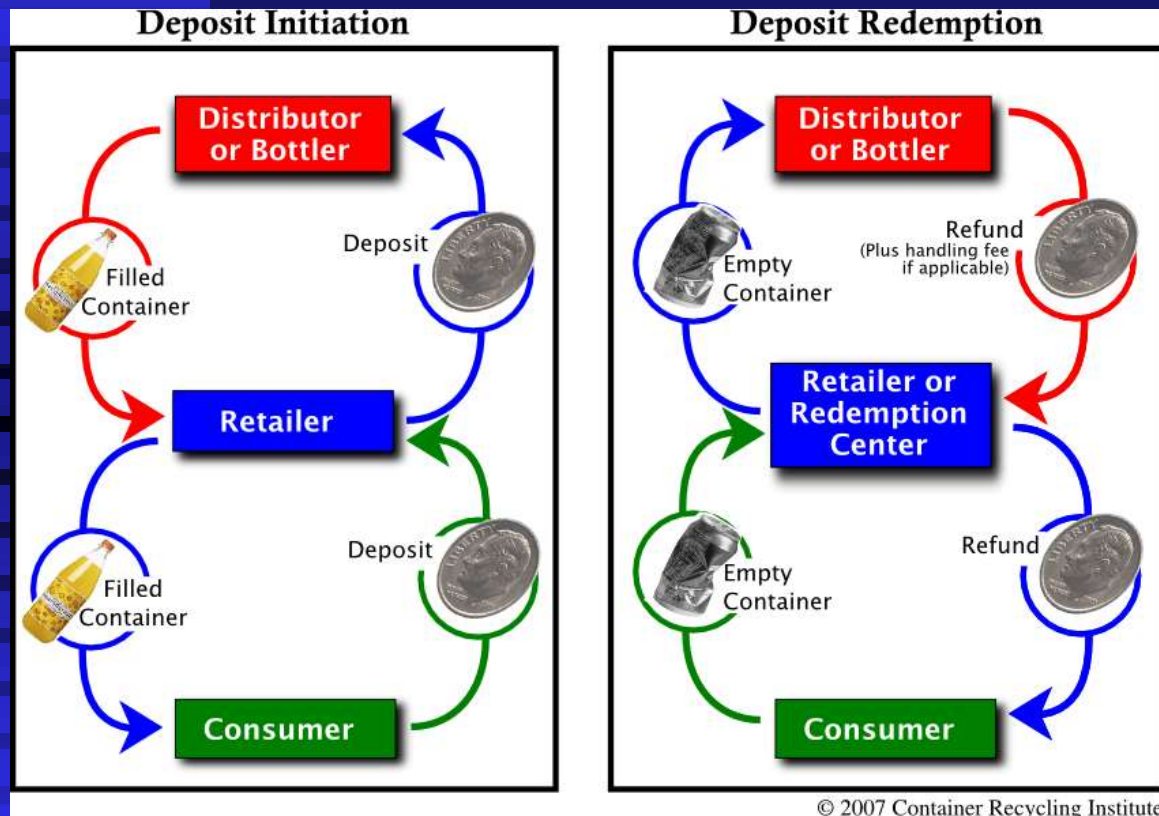
A bottle bill is a law that. . . .

- ❑ Requires distributors and retailers to collect a minimum refundable deposit, usually 5-10 cents on certain beverage containers
- ❑ Creates a privately-funded collection infrastructure for beverage containers
- ❑ Makes producers and consumers responsible for their packaging waste

Why Beverage Containers?

- They are often consumed on the go - the industry estimates that one third of all soft drinks sold are consumed away from home!
- They compose 40-60% of litter.
- They consume enormous amounts of energy in the manufacturing process.
- Greenhouse gas emissions can be avoided by recycling beverage containers rather than manufacturing new ones.

How do Container Deposits Work?



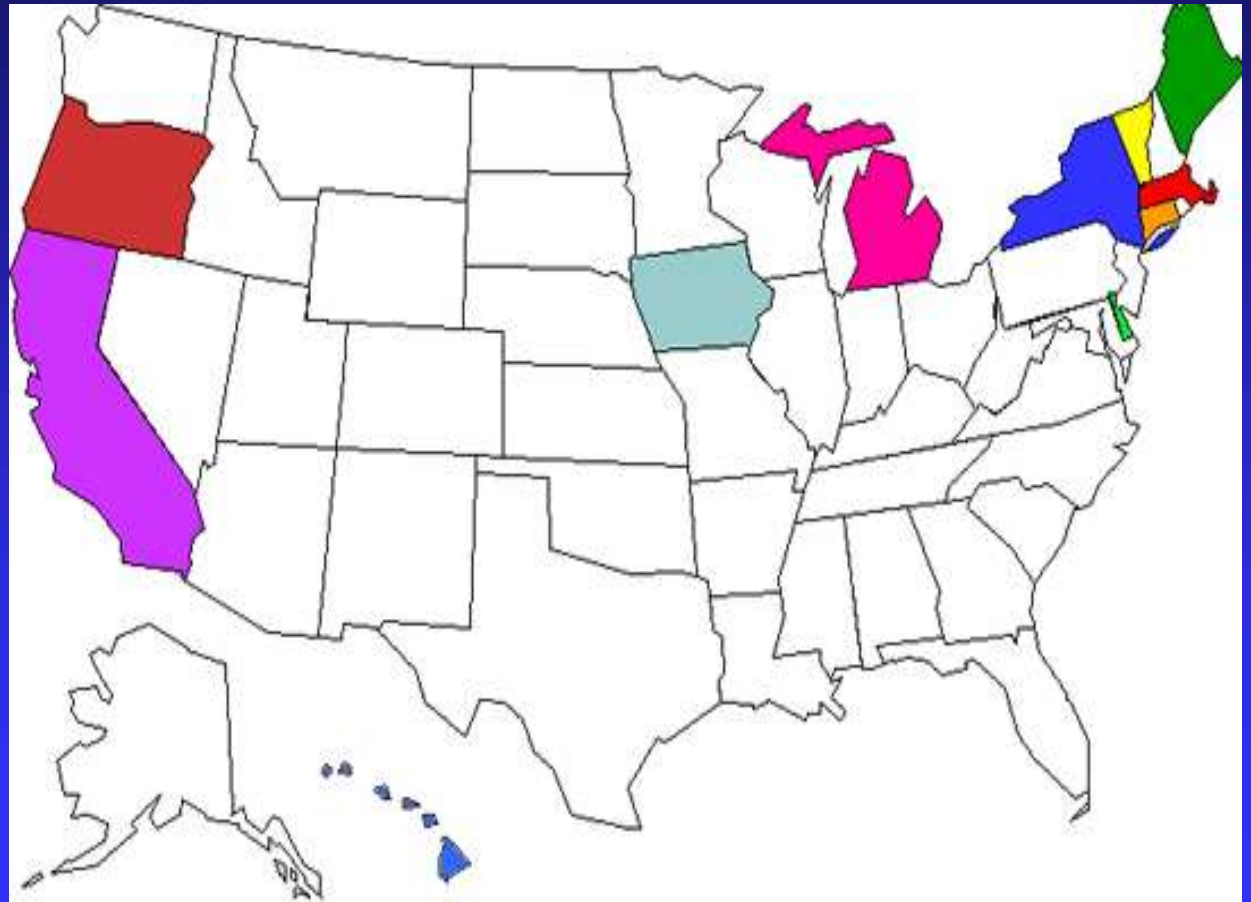
- ❑ Distributor collects deposit when he/she delivers containers to retailer
- ❑ Retailer collects deposit from consumer at point of purchase
- ❑ Deposit is refunded to consumer when container is returned
- ❑ Deposit is refunded to retailer when containers are returned to distributor

What is the Origin of Bottle Bills?

- ❑ **Problem:** In the 50's and 60's, refillable 'deposit' bottles were replaced by throwaway, no-deposit beverage containers that created litter and wasted resources.
- ❑ **Solution:** Put a mandatory deposit on beverage containers to provide an incentive to recycle and a disincentive to litter.

U.S. States with Container Deposit Laws

Oregon
Vermont
Michigan
Maine
Iowa
Connecticut
Massachusetts
Delaware
New York
California
Hawaii



Canadian Provinces with CDL



Quebec

British Columbia

Newfoundland

Nova Scotia

Alberta

New Brunswick

Saskatchewan

Prince Edward
Island

Yukon

Who supports Container Deposit Laws?

- ❑ Environmentalists
- ❑ Some beverage producers
- ❑ Processors of recycled materials
- ❑ Container manufacturing industries
- ❑ Manufacturers who use recyclable materials
- ❑ Farmers, Bicyclists and sportsmen
- ❑ Civic groups
- ❑ The general public

Supporters like CDL because it:

- ❑ Has recovery and recycling rates of 66 - 96% for beverage containers
- ❑ Reduces roadside litter and solid waste
- ❑ Conserves energy and natural resources
- ❑ Reduces climate-changing greenhouse gas emissions
- ❑ Prevents pollution from manufacturing of new containers
- ❑ Creates jobs and new businesses that can't be outsourced overseas
- ❑ Shifts costs associated with used beverage containers to those responsible for the waste

Who does not support CDL?

- ❑ Some soft drink manufacturers and bottlers
- ❑ Brewers and beer distributors
- ❑ Grocery manufacturers and retailers
- ❑ Some waste haulers that profit from recyclables collection

Why oppose CDL?

Opponents claim Bottle Bills:

- ❑ Increase costs to distributors and retailers
- ❑ Increase prices and lower beverage sales
- ❑ Only address a fraction of the waste stream
- ❑ Decrease jobs
- ❑ Are not compatible with curbside recycling
- ❑ Are inconvenient for consumers

Their Arguments are unfounded

- Cost increases can be recouped in minimal price increases that consumers barely notice, and gladly pay for their favorite beverages.
- CDL is effective for beverage containers because of litter and away from home use. It only addresses this portion of the waste stream because it only *targets* this portion.
- CDL and curbside collection are compatible, because CDL targets away from home recyclables.
- Consumers quickly become accustomed to returning their empties, and enjoy getting refunds.

There are societal and environmental costs associated with the manufacturing, disposal, and recycling of beverage containers.

The question for policymakers is “Who should pay these costs?” – government and taxpayers or producers and consumers?

In 1980, Dwight Reed, President National Soft Drink Association made the following statement:

“Society is telling us in unmistakable terms that we share equally with the public the responsibility for package retrieval and disposal. . . This industry has spent hundreds of millions of dollars. . . in the attempt to dispute, deflect, or evade that message. . .”

“ . . . It is interesting to speculate on the state of our public image, and our political fortunes, had that same sum been devoted to disposal or retrieval technology.”

In November 2008 the Aluminum Association announced its goal to increase the recycling rate of beverage cans to 75% by 2015 saying, “Container deposit programs are a proven, sustainable method of capturing beverage cans for recycling. States that have deposit programs have the highest can recycling rates, on average at 74% or higher, while the recycling rate in non-deposits states is around 38%.”

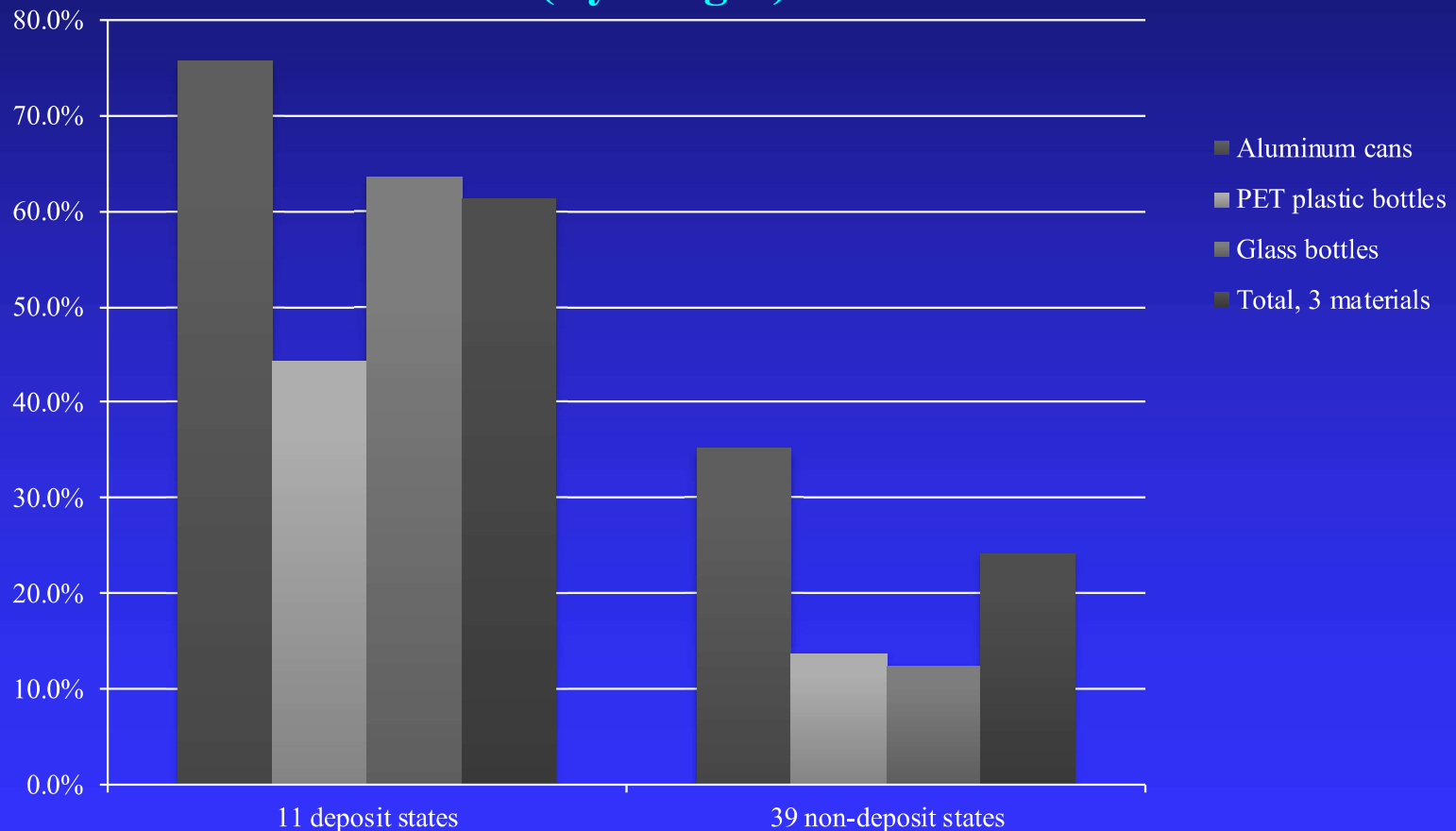
In December 2008 the Glass Packaging Institute

announced its goal to use 50% recycled glass by 2015, saying glass manufacturers “*will continue to work with policymakers to improve and expand state beverage deposit programs.*”

The Truth about Container Deposit Legislation

Bottle Bills Result in Higher Beverage Container Recycling Rates

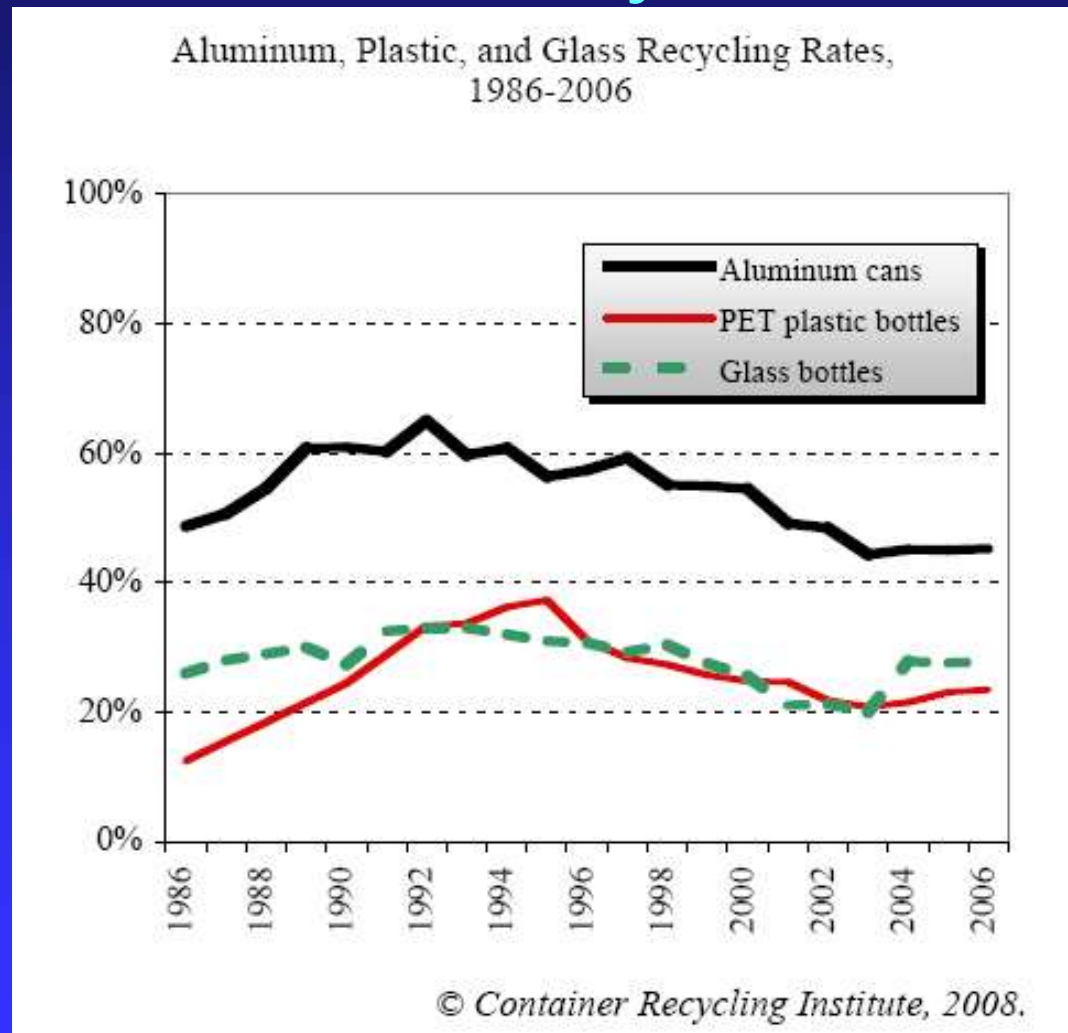
Average Beverage Container Recycling Rates (By Weight)



Source: CRI's 2008 Beverage Market Data Analysis (using 2006 data)

Container Recycling Institute © 2009

Container recycling rates have declined nationally, despite continued growth in population served by curbside recycling.



Source: CRI's 2008 Beverage Market Data Analysis, 2006 data

Bottle Bills Reduce the Disproportionate Environmental Impacts of Beverage Container Wasting



Emissions: Replacing the 141 billion beverage containers wasted in 2006 emitted almost 5 million tons of Greenhouse gases - the same as 3.3 million cars in one year



Wasted energy: The energy required to replace the 141 billion containers wasted in 2006 was equivalent to **336 trillion BTUs:** enough to meet the total annual residential energy needs of over 3.5 million American homes.



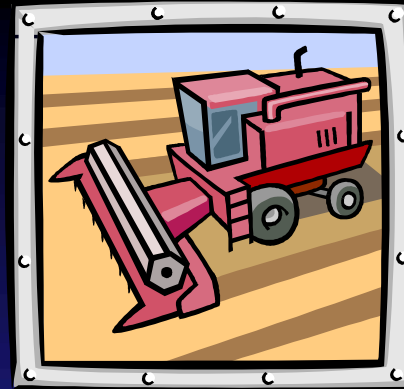
Litter: In a 1999 survey, the Solid Waste Coordinators of Kentucky found that 54% of all litter collected consisted of beverage containers, carriers, bottle caps and pull tabs. Several studies have shown that deposit systems have a ripple effect in reducing all litter.

Bottle Bills Reduce Litter

| State | Beverage Container Litter Reduced | Total Litter Reduced |
|-------|-----------------------------------|----------------------|
| NY | 70 - 80% | 30% |
| OR | 83% | 47% |
| VT | 76% | 35% |
| ME | 69 - 77% | 35 - 56% |
| MI | 80% | 38% |
| IA | 77% | 38% |

Source: "Trade-offs Involved in Beverage Container Deposit Legislation", US GAO, 1990.

Litter on the farm: Costly damage to farmers



- livestock deaths
- crop losses
- feed contamination
- equipment damage

“There is little a community can do about drought or disaster, but we can do something positive about litter from beverage containers by supporting (Sen. Jim) Jeffords' bill.”

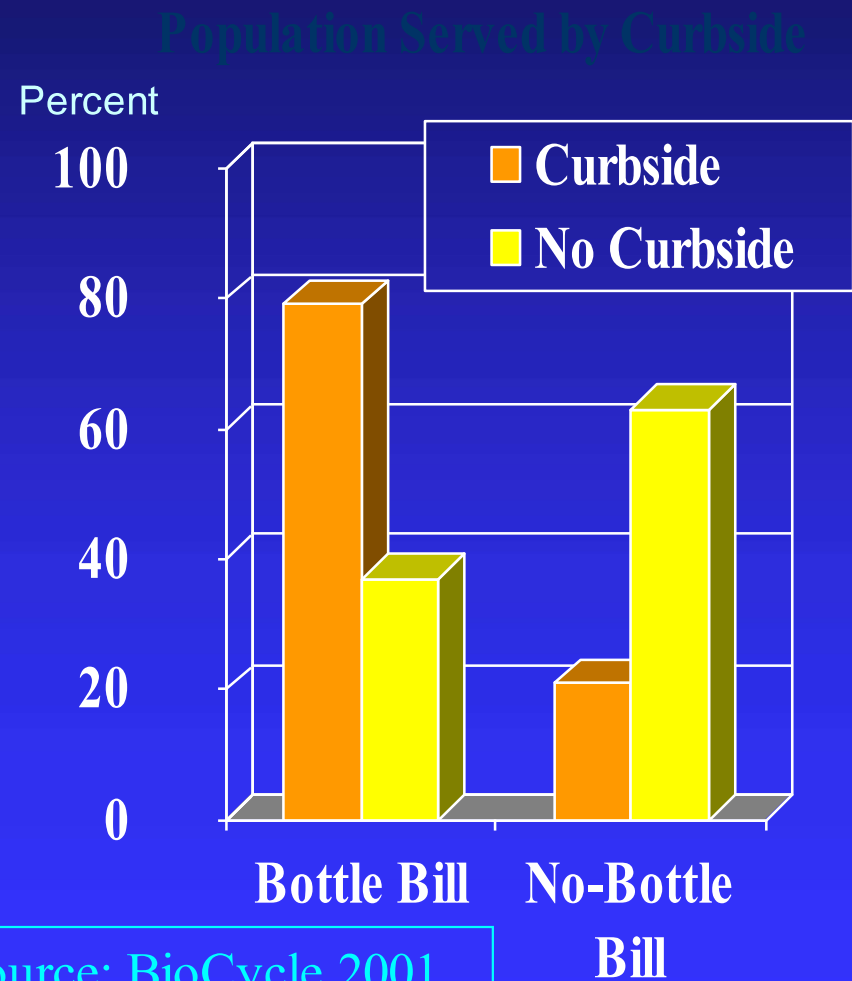
-- Larry Breech, President of the Pennsylvania Farmers Union, in an op-ed in *The Philadelphia Inquirer*, October 2002.

Bottle Bills Create Jobs

| | New Jobs | Source of Data |
|----|----------|---|
| MA | 1,800 | Report of Cabinet Task Force on Bottle Bill, <i>Mandatory Deposit Legislation for MA</i> . May 1979. |
| MI | 4,684 | US GAO, <i>State's Experience with Beverage Container Deposit Laws Shows Positive Benefits</i> . Dec, 1980. |
| NY | 3,800 | NY Beer Wholesalers Association, <i>NYS Returnable Container Act: A Preliminary Study</i> , 1984. |
| VT | 250-350 | VT Agency for Environmental Conservation, <i>VT 5-Cent Deposit</i> , 1977. |

Bottle Bills Complement Curbside Recycling

More people in bottle bill states are served by curbside recycling than in states without a bottle bill.



“If the goal is to capture the maximum amount of materials possible, then curbside recycling, deposits, and drop-off centers should all be part of a well thought out pollution prevention and waste reduction plan.”

Lanier Hickman

Former Director

Solid Waste Management Association of North America

In 2002 the BEAR multi-stakeholder group agreed that CDL is cost effective

- The 10 bottle bill states recycle **490** containers per capita per year, at a cost of 1.53 cents per unit.
- The 40 non-bottle bill states recycle **191** containers per capita per year, at a cost of 1.24 cents per unit.

Thus, for a minimal price increase, more than ***two and a half times*** as many containers are recovered!

Note: the 11th bottle bill state, Hawaii implemented their law in 2005

Bottle Bills Decrease Taxpayer Burden

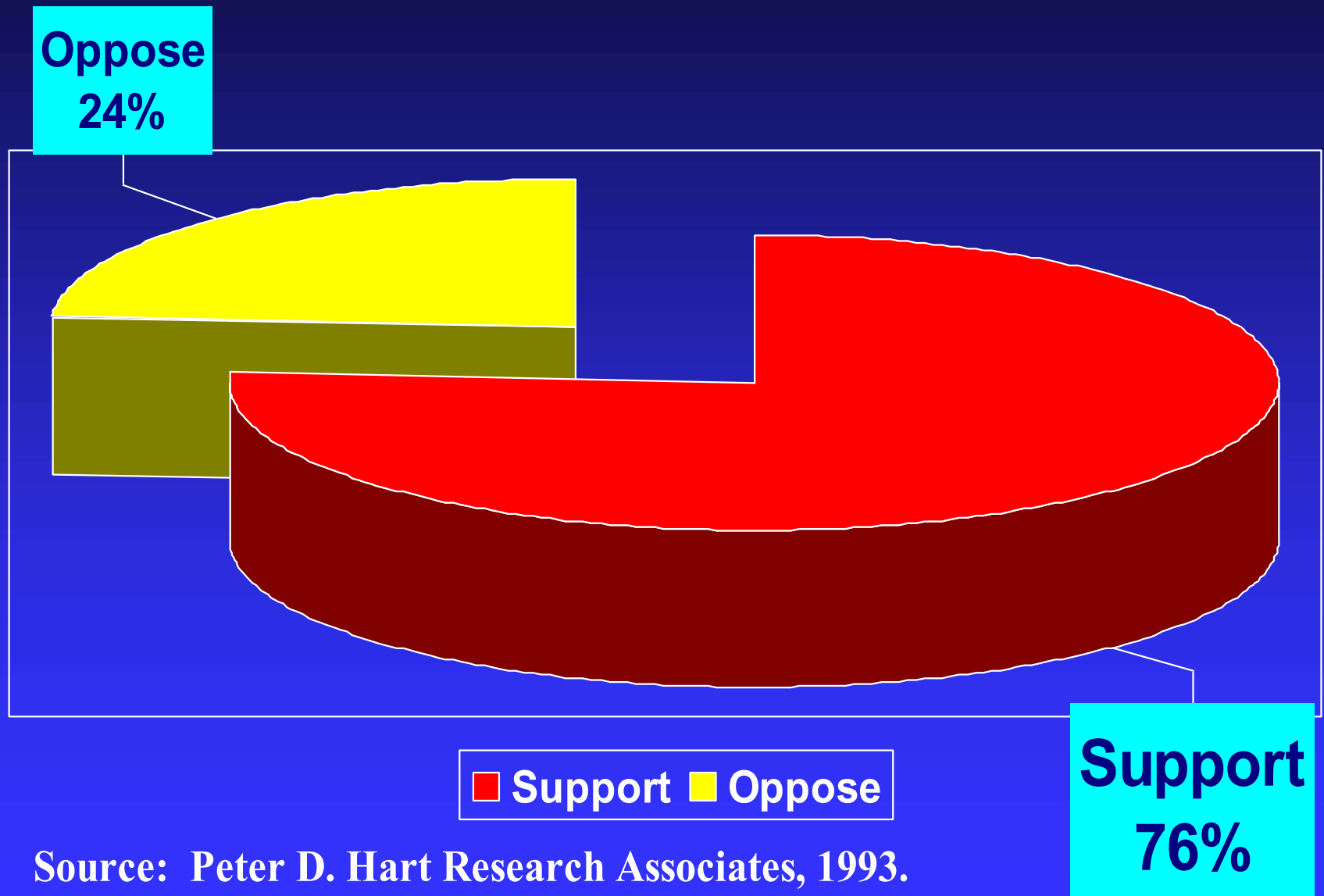
“...it (the Returnable Container Act - RCA) has internalized the cost of solid waste management for beverage containers covered by the RCA...Therefore the taxpayer does not have to subsidize the disposal of empty beverage containers.”

Then-Governor of New York George Pataki

Financial Incentives are the Most Effective Way to Ensure High Container Recovery Rates

| Program | Typical Participation & Capture Rate | Financial Incentive Value |
|--------------------------|---|----------------------------------|
| Traditional | 66% | 5 cents |
| Michigan | 96% | 10 cents |
| California | 67% | 5-10 cents |
| Curbside/Drop-off | 34% | None |

Bottle Bills are Popular



Source: Peter D. Hart Research Associates, 1993.

Every state has attempted to pass a bottle bill.



FACT: Bottle Bills work, and they work everywhere!

FACT: No state Bottle Bill has ever been repealed! In fact, three states have expanded their original bottle bills to include other containers.

- ✓ **Maine - 1990**
- ✓ **California - 2000**
- ✓ **Oregon - 2009**

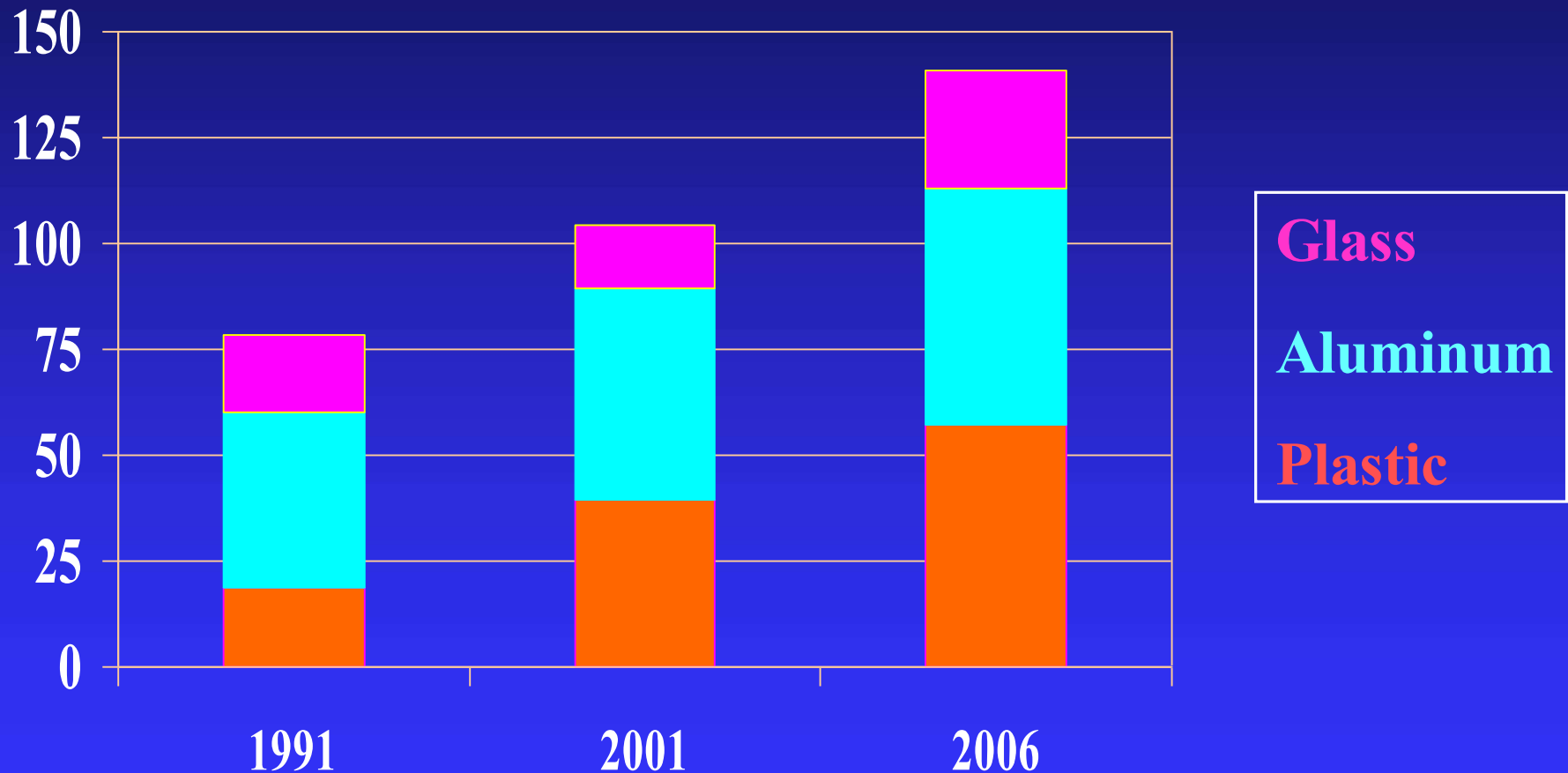
What is the Future of CONTAINER DEPOSIT LEGISLATION?

Opportunities

- ❑ Urgency to conserve energy and reduce climate-changing greenhouse gas emissions
- ❑ Growing demand for “producer responsibility”
- ❑ Falling recycling rates for aluminum, glass and PET containers
- ❑ Increase in litter and beverage container waste
- ❑ New bottle bill and expanded bottle bill efforts
- ❑ Inadequate supply of feedstocks in the PET , glass and aluminum recycling industries
- ❑ New coalitions of environmentalists and businesses support container deposits
- ❑ Increased editorial support from major newspapers

Growing Beverage Container Waste = Greater Need for Bottle Bills

Billions of
Units Wasted



Source: American Plastics Council, CRI, US Dept. of Commerce

Challenges

- ❑ Industry myths about recycling and bottle bills
- ❑ Special interest financing of political campaigns
- ❑ Declining public attention to recycling
- ❑ Hauling industry desire to collect valuable beverage container materials to offset their costs

“To reduce litter immediately, city and state leaders should push for an expanded bottle bill...It’s possible, if leaders have the courage to take on the powerful bottlers’ lobby.”

Editorial
New York Times, July 2002

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